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**Major News Releases
and Speeches**

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Testimony

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Testimony submitted by Assistant Secretary of Agriculture Mary C. Jarratt before the House Education and Labor Committee's subcommittee on Elementary, Secondary and Vocational Education, March 1.

Mr. Chairman, and members of the subcommittee, thank you for the opportunity to appear before you today to discuss the fiscal 1984 budget and legislative proposals for the programs conducted by the Food and Nutrition Service of the U.S. Department of Agriculture. Accompanying me is Robert Leard, acting Food and Nutrition Service administrator.

This committee has long shown its deep concern for child nutrition programs, their design, and their future. USDA shares this concern and remains committed to providing food assistance to those most in need. Almost 23 million students will receive subsidized school lunches under fiscal 1984 budget proposals, and supplemental food programs will provide nutritional assistance to 2.4 million women, infants and children.

When this administration took office, we inherited domestic feeding programs with one of the most rapidly increasing growth rates of all federal programs. Had it not been for legislative changes over the last two years, which reduced potential for fraud and waste and tightened program administration, the food assistance programs would have cost almost \$21 billion this year. Even with these changes, the cost of food assistance programs will have more than doubled between 1977 and 1983.

Goals of Legislative Proposal

The legislative proposal for fiscal 1984 was developed with three goals in view. These goals are:

- (1) To simplify program administration,
- (2) To reduce error and deter fraud, and
- (3) To curtail the growth rate in benefits.

USDA has developed a proposal which will accomplish these goals while saving \$313 million in fiscal 1984 and \$2.3 billion across five fiscal years (fiscal 1984-88). Seventy-two percent of the savings will come from the establishment of a general nutrition assistance grant funded at \$535 million in fiscal 1984. Another six percent of the savings will result from the verification of income for the lunch program by welfare offices. The final twenty-two percent stems from a delay of the cost of living adjustment for six months and the creation of an independent subsidy for reduced price meals. I should note, however, that the federal commitment to the national school lunch program remains strong. The changes we propose represent ways to refine and streamline this program without changes in its basic nature.

Child Nutrition Programs

Child nutrition program initiatives of the past two years were designed to (1) better target meal subsidies, (2) tighten individual eligibility, (3) streamline and tighten administration and (4) eliminate low priority programs. The result is improved programs which are better meeting the needs of the population they were designed to serve—the most needy.

Even with this progress, the headlines we see fail to acknowledge our continued commitment to provide food assistance for those most in need. This commitment is evidenced by the fact that the federal government subsidizes over 95 million meals per day.

Another general myth is that needy children have been eliminated from the national school lunch program. The fact is that subsidies provided for meals served to students from low-income families have increased consistently over the past three years. In 1980, the federal subsidy for free school lunches was \$1.17; that rate is currently \$1.26.

There have been modest declines in the number of free lunches served. These declines have occurred primarily because (1) free meal eligibility levels were slightly reduced in 1981 to improve the targeting of benefits, (2) school enrollment has declined, (3) high-tuition private schools have been made ineligible to participate in the program, and (4) social security numbers are being required and verification of income is increasing, thus deterring false reporting.

While we subsidize approximately 2.6 million fewer students than we did two years ago, 74 percent of the decline has been attributable to students from families with income over 185 percent of the poverty line, and 86 percent of the decline represents students from families over 130 percent of the poverty line.

In addition, the special supplemental food program for women, infants and children has continued to grow in recent years. Funding for the WIC program has grown from \$712 million in fiscal 1980 to \$1,060 million this year. Our latest participation figures show that 2.4 million low-income women, infants and children are receiving benefits from this program. This represents a 20 percent increase in participation since last year. While we do not expect to remain at 2.4 million, we do expect average participation in fiscal 1983 to exceed that of fiscal 1982.

USDA is continuing its support of the WIC program by proposing no changes to the program or its funding for fiscal 1984. This is consistent with freezing the subsidy levels in all domestic food programs.

The changes made in the programs over the last three years were made to strengthen their operation and assure they remain viable by targeting benefits to the needy population which they were intended to serve. The administration continues to hold fast to that commitment.

(1) The General Nutrition Assistance Grant

The proposed general nutrition assistance grant of \$535 million is designed to simplify program administration for state agencies. By consolidating funds now available for the summer food service, school breakfast and child care food programs into the general nutrition assistance grant, state flexibility will increase substantially. The result will be enhanced administrative efficiencies through the reduction of program complexity and programs tailored by the states to fit the needs of their population. This consolidation of programs would result in reduced program costs of \$208 million and reduced state administrative expenses of \$9 million in fiscal 1984.

In developing the fiscal 1984 budget, we considered proposing incremental changes to the three categorical programs which are to be replaced by the general nutrition assistance grant. Clearly there are problems with these programs as they are currently structured. For

example, data from a recent study of the child care food program shows that funding for family day care homes is very poorly targeted.

Under the current program structure, we would expect to spend \$115 million on family day care meals in fiscal 1984. Data indicates that over three-fourths of the meals go to children over 130 percent of poverty, and nearly two-thirds of the meals served in this program go to children from even higher income families that earn over 185 percent of poverty.

Let's compare the subsidies that two children from the same higher-income family would receive in two different settings. One child is in a family day care home and the other is in school. The student receives a lunch subsidized at 22 cents in cash and commodities with possible additional bonus commodities which currently average 8 cents per meal. The total subsidy is 30 cents per day. The family day care operated lunch receives a federal subsidy of 98.5 cents. In addition, the same family day care child will also likely receive a breakfast with a federal subsidy of 50.25 cents and a snack with a subsidy of 29.5 cents. This would not be of such concern if all or the vast majority of these children were from low-income families. Studies indicate that only 24 percent of the children are from families below 130 percent of poverty. The summer food service program is another example of a program in need of substantial revision. In the past, this program has been fraught with fraud, abuse and mismanagement. Through legislative and regulatory improvements, the program has been improved but many problems remain.

For example, most program sites allow any child who shows up to receive free meals which are totally subsidized by the federal government. The only requirement is that the site operate in an area where over half the children are below 185 percent of the poverty level. Also, many sites offer multiple meal service similar to the child care program. This means that any child from any family, rich or poor, can show up and claim several meals during the course of the day.

Finally, the school breakfast program which is well targeted to low-income students, does not appear to be delivering the nutritional benefits that we had all thought. A recent national study of the school nutrition programs gave very high marks to the lunch program in terms of nutritional benefits, but found the school breakfast program wanting.

We gave serious consideration to proposing major modifications in the current categorical programs to address these and other problems. However, we did not feel that we at the federal level should dictate child nutrition priorities to state and local officials. Instead, we choose to consolidate the three existing programs into a general nutrition assistance grant funded at a level comparable to the cost of these programs net of the incremental reductions we would have proposed.

In the absence of change the child care, summer and school breakfast programs would cost \$819 million in fiscal 1984. We are proposing to transfer \$76 million to HHS to maintain funding for meal service in head start centers. We also eliminated the cost of family day care meals from the base because of the targeting issues I mentioned earlier. Finally, the level of the grant was set at 85 percent of the remaining cost of those programs.

The advantages of this approach include (1) added state flexibility, (2) local needs can be better served, (3) simplified administration of nutrition assistance to head start, (4) states can target benefits to meet their own priorities, and (5) these complex categorical federal programs will be streamlined.

(2) New Income Verification Initiative

In an effort to reduce error and deter fraud, USDA is proposing to transfer income verification functions for school meals to welfare offices. While there are a variety of ways in which this could work, in general the application process for food stamp households which represents two-thirds of those receiving free and reduced price meals, would be more simple. A more thorough review of applications from a sample of non-food stamp households, can be made and the verification that will take place may be completed by well trained professional staff from the food stamp office. Food stamp offices would receive reimbursement for their services from enhanced state administrative expenses.

This proposal will provide needed relief to educators in our school systems who are currently responsible for income verification. I am very concerned that our proposal is being widely misinterpreted. We are not proposing that children be sent to food stamp offices to be certified to receive free or reduced-price meals. We will allow state and

local school officials to take advantage of verification systems and expertise that exists in the food stamp offices. Our proposal will allow states to design verification systems that best meet their needs using the resources of both the education and welfare systems.

(3) Six-M levels currently in effect would be reduced, and free and reduced-price participants would not be affected at all, since the price they pay for their lunches would remain the same.

(4) Create an Independent Reduced-Price Subsidy Level

Under current law the subsidy for reduced-price meals is tied to the free meal rate. Consequently, it is over compensated when an adjustment for inflation is made. We propose modification of this provision. Instead, a subsidy level for reduced-price meals would be created that is not tied artificially to the free meal subsidy. This proposal would provide increased equity in determining subsidies. All subsidies would receive the same rate of adjustments to account for inflation.

(5) Eliminate the Nutrition Education and Training Program

USDA is proposing termination of the nutrition education and training program. Funds for this program were provided as seed money for the states to begin or augment existing nutrition education programs. To date, federal support for NET has totaled about \$94 million. This generous funding has created the basis for a successful program. The states should be in a position to take over funding of this program and decide the appropriate funding level for such activities.

Now that nutrition education programs have been established, decisions about their future direction and funding should be left to state and local officials just as funding and priorities for other educational activities are left to state and local educators.

The fiscal 1984 budget proposals represent the continuation of a new system designed to re-establish the balance of decisionmaking among the federal, state and local levels of government. As stated before, the goals of the budget are to simplify program administration by consolidating programs and providing states the flexibility to tailor the specific programs offered to the needs of their localities, to reduce error

and deter fraud by transferring income verification responsibilities from school administrators to trained and experienced food stamp staffs and to curtail growth in spending by delaying the cost-of-living adjustments by six months and creating a separate subsidy level for reduced-price meals. We believe that this legislative package is a positive effort to improve program operations at all levels of government.

Finally, I would reiterate that the two major child nutrition programs, namely, the national school lunch program and the supplemental feeding program for women, infants and children have not been significantly reduced for 1984 despite the necessity to reduce the overall federal budget. We view these two programs as the cornerstone of our child nutrition efforts.

Still, there is need for improving and streamlining all programs. We believe these child nutrition proposals are a strong effort in that regard without jeopardizing the best interests of the children of America. We look forward to working with this committee on our proposals.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA SETS 1983 QUOTA PEANUT SUPPORT LEVEL, ISSUES 1983-85 CROP REGULATIONS

WASHINGTON, Feb. 28—The U.S. Department of Agriculture today set the national average support level for 1983-crop quota peanuts at \$550 per short ton, unchanged from the 1982 level.

According to C. Hoke Leggett, associate administrator of USDA's Agricultural Stabilization and Conservation Service, USDA is required to increase the national support level for quota peanuts by as much as 6 percent to reflect any increase in the national average cost of production, excluding any rise in the cost of land. However, Leggett said, USDA has estimated 1982 peanut production costs actually declined from those of 1981, so no increase is necessary.

USDA also today issued an interim rule concerning poundage quotas and marketing regulations for the 1983 through 1985 crops of peanuts.

The most significant of these changes, Leggett said, are those relating to the reduction of individual farm poundage quotas based on the farm's production characteristics during a set base period. Under proposed rules issued last Nov. 9, quota reductions for peanut farms were to be made based on four separate categories:

- Farms with inadequate tillable cropland to produce the poundage quotas.
- Farms on which the quotas are not fully produced in at least two of the last three years.
- Farms for which the quotas are leased to another farm and produced by a different farm operator.
- All other farms which have quotas not reduced to zero in categories 1, 2 or 3.

Leggett said the interim rule provides that for the 1983 crop, categories 3 and 4 will be combined for quota reduction purposes. This is the same method used to reduce quotas in the 1982 crop year.

For the 1984 and 1985 crop years, the interim rule provides that categories 3 and 4 are considered separate for quota reduction purposes.

Leggett said since the quota reduction procedures for the 1983 crop are different from those proposed Nov. 9, they are being issued as interim rules with a 30-day comment period. This means the public has until April 4 to submit comments on the interim changes, he said.

Comments should be sent to the director, tobacco and peanuts division, USDA-ASCS, P.O. Box 2415, Washington, D.C. 20013. Comments will be available for public inspection during normal business hours in room 5750 of USDA's South Building, Leggett said.

Complete details of today's interim rule are scheduled to appear in the March 3 Federal Register.

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NEW PROGRAM FOR RURAL HANDICAPPED LAUNCHED

WASHINGTON, Feb. 25—A memorandum of understanding between the President's Committee on Employment of the Handicapped and the U.S. Department of Agriculture was signed today by Secretary of Agriculture John R. Block and Harold Russell, committee chairman.

Block said the memorandum, the first of its kind between the committee and a government department, will further the rehabilitation and job placement of handicapped persons living in rural areas.

Under the agreement, the committee, which operates through its governors' committees on the state level, will join forces with USDA's Extension Service field offices to expedite the delivery of assistance already available to the handicapped, and to establish new programs where needed.

Block said the memorandum supports the mandate President Reagan gave the committee to "encourage employers to hire job-ready handicapped persons and to develop an awareness of the resources and services that can help handicapped persons fulfill their potential and economic well-being for employment."

USDA agency supervisors in rural areas will be asked to encourage private citizens, educational institutions and private industries to promote special services and programs for handicapped persons.

Already, Deere and Company is designing special farm equipment that can be operated by handicapped persons.

The new program requires no federal funding and is a good example of the private sector cooperating with government, Block said.

The agreement could be a forerunner of similar agreements with other departments of the federal government, not only in aiding the handicapped, but in other areas of presidential initiatives, Block said.

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MICROCOMPUTER SIMPLIFIES WEIGHING OF CROP INSURANCE BENEFITS

WASHINGTON, Feb. 28—Weighing the benefits of crop insurance is easy with new microcomputer software programs called ARCIE, short for All-Risk Crop Insurance Evaluation.

"These programs help producers assess their individual crop production risks and evaluate how crop insurance would work for their farms," said Merritt W. Sprague, manager of the U.S. Department of Agriculture's Federal Crop Insurance Corporation.

Sprague said ARCIE is available in two forms. One is a detailed program that takes about 45 minutes to run; the other is a mini-program that takes about 10 minutes. Both analyze risk based on input by producers and historical data and provide tables and graphics.

Farmers calculate results for a single insured unit on a planted per-acre basis.

ARCIE was designed and tested by the Cooperative Extension Services at Texas A&M University and Michigan State University, in cooperation with the USDA crop insurance agency.

In the long format, ARCIE can be purchased for \$95 from Texas A&M University and is available for use by producers and crop insurance agents at state Cooperative Extension Service Offices.

Mini-ARCIE is available through state Cooperative Extension Serviced offices for a small fee which covers the price of a disk and

copying costs. Both programs are compatible with most home computers, said Sprague.

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PRIORITIES RECOMMENDED FOR 'EXTENSION IN THE 80'S'

WASHINGTON, Feb. 28—After a year's study, a national committee today recommended that Secretary of Agriculture John R. Block and other leaders in the nation's informal educational network strive to:

- Boost educational programs in production technology, farm and home management, and marketing strategies for U.S. farmers, ranchers and their families. Cooperative Extension Services nationwide provide these services in cooperation with the U.S. Department of Agriculture.

- Maintain Extension Service agricultural programs as a major thrust of the total extension effort, as programs supporting the food and fiber system will be equally as important in the future as they were in the past.

- Increase the translation of research results into computer software packages and make these accessible to family farms, agribusiness, marketing institutions, families and communities.

Entitled "Extension in the 80's," the report culminated the work of the special committee, which had been set up to guide the future mission, scope, priorities and policies of the nationwide informal education system.

Cochairpersons of the committee were Ray Lett, executive assistant to Block, and Daniel Aldrich, Jr., chancellor, University of California-Irvine. They presented the report to Block and Robert Clodius, president of the National Association of State Universities and Land Grant Colleges.

Among other recommendations are:

- Increased application of management technology to improve land use decisions and the production and management of both renewable resources and those which cannot be renewed.

— Continue through home economics and family living programs to help individuals and families identify their needs, conserve their resources and achieve desired levels of living.

— Maintain emphasis on 4-H youth education programs; strengthen access of all rural and urban youth to these programs, regardless of economic status; and, work to increase involvement of the private sector by volunteers and financial support sources.

— Reexamine and strengthen Extension Service linkages with other USDA and federal agencies, as Extension's function within USDA calls for a flow of information from those agencies to the nationwide Cooperative Extension Service system for relay to the public.

— Maintain research as the base for Extension's major educational and informational efforts, with additional support made available for applied research and demonstrations.

As the report was made in Washington, Cooperative Extension Service administrative officials at land-grant universities throughout the country heard the presentation via audio teleconference.

The Joint Committee on the Future of Cooperative Extension was formed in early 1982 to advise Block and Clodius on policies and programs that will affect the federal-state-local Cooperative Extension Service system through the rest of the 1980's and years beyond.

Committee members represented people who use Extension's educational programs; Extension employees in federal-state-local offices; other state and local governmental and academic officials; and, volunteer private sector groups.

The national study group commended the Extension Service at USDA and the national Extension Committee on Organization and Policy for developing a new national system for Extension accountability and evaluation.

Copies of the report, which includes additional recommendations, will be available about the middle of March and will be distributed widely by state and county Extension Service offices. Free copies also are available from Laverne Forest, Project Coordinator, Cooperative Extension Service, 432 North Lake St., University of Wisconsin,

Madison, WI 53706, or Mary Nell Greenwood, Administrator, Extension Service, USDA, Washington, D.C. 20250.

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USDA PROPOSES TO BAN USE OF MATURE POULTRY KIDNEYS AS HUMAN FOOD

WASHINGTON, March 1—A U.S. Department of Agriculture proposal would require that kidneys be removed from mature chickens and turkeys after slaughter and banned for use as human food.

Available evidence indicates the kidneys are adulterated because of high levels of the toxic metal cadmium, a USDA official said.

"Kidneys from mature poultry—representing less than 5 percent of all poultry slaughtered under federal inspection—are not marketed separately and are included only in certain processed products," said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service. "The other parts of mature poultry are as wholesome as those from other food animals."

Cadmium is present in trace amounts in the air, water and soil and becomes incorporated in various food products. It accumulates with age in animal and human kidneys. While a certain amount of cadmium exposure is unavoidable, a high cadmium intake is associated with kidney disease and other human health disorders.

Houston said poultry kidneys are often included in mechanically deboned poultry, a product resulting from mechanically separating poultry meat from bone. Mechanically deboned poultry made with parts of poultry containing the kidneys is currently permitted for use in such products as poultry frankfurters and other poultry sausages, he said.

"USDA is working closely with the Food and Drug Administration to reduce levels of cadmium in the food supply," said Houston. "This proposal would remove a controllable, relatively high source of the hazardous metal from human food."

USDA scientists have found average cadmium levels in mature chicken kidneys ranging from .8 to 2.78 micrograms per gram (mcg/g) of kidney, representing 16 times the amount found in young chicken

kidneys. Average levels found in mature turkey kidneys ranged from 1 to 4 mcg/g.

Based on results of two surveys of selected food items not likely to contain mechanically deboned poultry, the Food and Drug Administration has estimated the average daily adult intake of cadmium to be about 57 mcg, Houston said. In 1972, an expert committee for the Food and Agriculture Organization/World Health Organization proposed that the daily adult intake of cadmium from all sources not exceed 57 to 71 mcg.

Public comments on the proposal will be accepted until May 2. USDA is particularly interested in receiving additional scientific data on the cadmium content of mature poultry kidneys and on the effect of cadmium ingestion—from that source and from others—on the human body. Comments should be sent in duplicate to: FSIS Regulations Division, Attn. Annie Johnson, Hearing Clerk, Rm. 2637-S, USDA, Washington, D.C. 20250.

The proposal is scheduled to be published in the March 2 Federal Register.

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USDA ADOPTING PROPOSED CHANGES IN PACKERS AND STOCKYARDS BONDING RULES

WASHINGTON, March 2—Two changes proposed last August dealing with bonding requirements for persons doing business subject to the Packers and Stockyards Act will be adopted July 1, a U.S. Department of Agriculture official said today.

B.H. Jones, head of USDA's Packers and Stockyards Administration, said the minimum bond required of livestock dealers and order buyers will be increased from \$5,000 to \$10,000.

Also, the maximum bond required of dealers and market agencies will be calculated on an average of two days' purchases of livestock, plus 10 percent of purchases exceeding \$75,000. The present level is \$50,000.

In a third change, effective April 1, dealers, market agencies and meat packers will be permitted to file letters of credit in lieu of a bond.

Jones said this will increase the flexibility of people who must file a bond and may reduce their costs of doing business.

Farmers and ranchers who buy livestock for their own stocking or feeding purposes are not required to file a bond.

The changes are scheduled to be published in the March 2 Federal Register.

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PUBLIC HEARING ON ENDANGERED PLANTS SET FOR MARCH 23

WASHINGTON, March 2—The U.S. Departments of Agriculture and Interior will hold a public hearing March 23 in Washington, D.C., to discuss a proposal to designate ports for import or export of endangered plants.

The hearing will begin at 10 a.m. at the Main Interior Building North Penthouse, room 8068, 18th and C Streets, N.W.

The proposal is intended to prevent illegal trade in species of plants threatened with extinction.

Under the proposal, those who want to import or export endangered plants would have to direct their shipments through 14 specified ports—Nogales, Ariz.; Los Angeles, San Diego and San Francisco, Calif.; Miami, Fla.; Honolulu, Hawaii; New Orleans, La; Hoboken, N.J. (port of New York); Jamaica, N.Y.; San Juan, P.R.; El Paso, Brownsville and Laredo, Texas; and Seattle, Wash.

In addition, ports at Chicago, Ill., and Hilo, Hawaii, would be designated for importing and exporting orchid family plants; and Milwaukee, Wis., would be designated for importing and exporting ginseng species.

Detroit, Mich.; Buffalo and Rouses Point, N.Y.; and Blaine, Wash., would be designated ports for endangered or threatened plant trade with Canada.

More than 85 official ports also would be designated for importing and exporting plants not listed as endangered or threatened.

According to James O. Lee, acting administrator of USDA's Animal and Plant Health Inspection Service, certain ports are being specified

because endangered or threatened plants require qualified agricultural quarantine inspectors to identify the many specialized plant species and to review accompanying documents. Adequate facilities for holding and caring for the special plants must be available and coincide, as much as possible, with established patterns of trade.

Written comments on the proposal will be accepted until May 31 by the Director (LE), Fish and Wildlife Service, U.S. Department of Interior, P.O. Box 28006, Washington, D.C. 20250.

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USDA EXTENDS COMMENT PERIOD ON CURED PORK PROPOSAL

WASHINGTON, March 2—The U.S. Department of Agriculture has extended to April 25 the public comment period on its proposal to regulate the amount of added water in cured pork products by requiring specified levels of protein.

The original comment period was scheduled to end March 10.

"Extending the comment period 45 days will permit a fuller discussion by all groups of the many complex issues addressed by this proposal," said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

The proposal—officially referred to as "Control of Added Substances and Labeling Requirements for Cured Pork Products"—would establish minimum protein requirements for the full range of cured pork products now being marketed. These protein requirements would be tied to the amount of added water remaining in a product at the time the consumer buys it. The proposal was made Nov. 10, 1982.

Public comments should be sent to FSIS Hearing Clerk, USDA, Room 2637S, Washington, D.C., 20250. Notice of extension of the comment period is scheduled to be published in the March 4 Federal Register. A background paper on the proposal is available from FSIS Information, USDA, Room 1160-S, Washington, D.C. 20250.

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INTERNAL REVENUE SERVICE CLARIFIES PIK ESTATE TAX ISSUE

WASHINGTON, March 1—The Internal Revenue Service today released the following questions and answers on the estate tax consequences of the payment-in-kind program:

- Q.1. If a farmer participates in the PIK program, or any other land diversion program sponsored by the U.S. Department of Agriculture, will his or her estate suffer any adverse consequences under either section 2032A or section 6166 with respect to the diverted acres?
- A.1. For purposes of section 2032A and section 6166, land diverted from the production of an agricultural commodity under the PIK program or other U.S. Department of Agriculture land diversion program will be treated as being used as a farm for farming purposes and in the active conduct of a farming business. Furthermore, participation in a U.S. Department of Agriculture land diversion program and in the devotion of such land to conservation purposes under such program will be treated as material participation in the operation of a farm with respect to the diverted acres. Hence, participation in the PIK program or any other land diversion program sponsored by the U.S. Department of Agriculture will have no adverse impact on a decedent's ability to qualify for special use valuation under section 2032A or estate tax deferral under section 6166. This will be the result even if the entire farm is devoted to conservation use under the program.
- Q.2. If a qualified heir participates in the PIK program, or any other land diversion program sponsored by the U.S. Department of Agriculture, will he or she be treated as having ceased to use the diverted acres for a qualified use under section 2032A? Will there be a disposition of an interest which could cause acceleration of estate tax due under section 6166(g) of the Code?

A.2. The same treatment as is set forth in the answer to the first question will be applicable in determining whether the post-death requirements of section 2032A are satisfied and whether the acceleration provisions of section 6166(g) are triggered. Hence, participation by a qualified heir in the PIK program or other U.S. Department of Agriculture land diversion program will not cause the qualified heir to be treated as having ceased to use the diverted acres for a qualified use under section 2032A. Again, this is so regardless of the number of acres diverted from production and regardless of whether any of the qualified heir's land remains in production. Furthermore, there will not be a disposition of an interest as described in section 6166(g) with respect to the diverted acres and thus no possible acceleration of estate tax due.

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USDA RELEASES COST OF FOOD AT HOME FOR JANUARY 1983

WASHINGTON, March 2—The U.S. Department of Agriculture today released its monthly update of the weekly cost of food at home for January 1983.

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost and liberal.

Isabel Wolf, acting administrator of the Human Nutrition Information Service, said the plans consist of foods that provide well-balanced meals and snacks for a week.

USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods and other nonfood items bought at the store.

"USDA costs are only guides to spending," Wolf said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes and how much food is prepared at home."

"Most families will find the moderate-cost or low-cost plan suitable," she said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families with less money for food. Families with unlimited resources might use the liberal plan."

Details of the four food plans are described in Home and Garden Bulletin No. 94, "Family Food Budgeting . . . for Good Meals and Good Nutrition," which may be purchased for \$2.50 each from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

Cost Of Food At Home For A Week In January 1983

	Plans			
	Thrifty	Low-cost	Moderate-cost	Liberal
Families:				
Family of 2 (20-54 years)	\$33.90	\$43.80	\$54.80	\$65.60
Family of 2 (55 years and over)	30.40	39.00	48.30	57.50
Family of 4 with preschool children	48.10	61.40	76.50	91.50
Family of 4 with elementary school children	58.00	74.30	93.00	111.20
Individuals in four-person families:				
Children:				
1-2 years	7.80	9.80	12.10	14.40
3-5 years	9.50	11.80	14.60	17.50
6-8 years	12.10	15.30	19.20	22.90
9-11 years	15.10	19.20	24.00	28.70
Females:				
12-19 years	14.30	18.20	22.50	26.70
20-54 years	13.80	17.80	22.10	26.30
55 and over	12.50	16.10	19.80	23.40

Cost Of Food At Home For A Week In January 1983—(Continued)

	Plans			
	Thrifty	Low-cost	Moderate-cost	Liberal
Males:				
12-14 years	16.10	20.30	25.40	30.40
15-19 years	17.70	22.40	28.10	33.70
20-54 years	17.00	22.00	27.70	33.30
55 and over	15.10	19.40	24.10	28.90

To estimate your family food costs

— For members eating all meals at home—or carried from home—use the amounts shown.

— For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out five days a week, subtract 25 percent, or one-fourth the cost shown.

— For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in fourperson families. If your family has more or less than four, total the "individual" figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

- For a one-person family, add 20 percent.
- For a two-person family, add 10 percent.
- For a three-person family, add 5 percent.
- For a family of five or six persons, subtract 5 percent.
- For a family of seven or more, subtract 10 percent.

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USDA AND HHS MATERNAL AND INFANT NUTRITION VIDEO-TELECONFERENCE SET FOR APRIL

WASHINGTON, March 2—A nation-wide video-teleconference on nutrition, aimed at improving the health of American mothers and

babies, will be held April 7 under a cooperative effort by the U.S. Departments of Agriculture and Health and Human Services.

The program will be telecast live from Washington, D.C., from 2 to 5 p.m., EST, simultaneously to about 60 sites across the country. The primary audience is professionals who provide nutrition and health services to mothers and infants. This includes nutritionists, physicians and nurses working in public health and community programs and food and nutrition specialists in the state Cooperative Extension Service.

The purpose of the conference is to increase nutrition and health professionals' knowledge and understanding of new research findings in nutrition as they relate to maternal and infant health. One session will be on substance abuse during pregnancy and the other will be on breastfeeding.

Video-teleconference objectives include:

- Providing the audience with an update on research, with emphasis on practical application;
- Allowing the audience, through the program's interactive segments, to communicate directly with recognized authorities in the field;
- Providing an opportunity for improved cooperation and collaboration among various professional groups involved in the maternal and infant nutrition area; and
- Demonstrating an innovative and cost-effective method of providing continuing education to nutrition and health professionals in all the states.

The planning and production of the teleconference is a cooperative effort of USDA's Human Nutrition Information Service, Extension Service, and Food and Nutrition Service, and HHS' Health Resources and Services Administration, National Institutes of Health and departmental Nutrition Coordinating Office.

Those who want more information about the video-teleconference may contact the public health nutritionist in their state's health department or the food and nutrition specialist in their state's Cooperative Extension Service.

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MIZELL URGES DAIRY INDUSTRY TO DEVELOP REALISTIC PLANS FOR FUTURE

ASHEVILLE, N.C., March 3—The dairy industry, the administration and Congress need to agree on a direction for action that everyone can live with, Assistant Secretary of Agriculture Wilmer D. Mizell told the Western North Carolina Dairymen's annual conference here today.

"We want to move dairying away from a dependency upon government as a buyer of last resort and toward a healthy relationship with real markets, markets that will guide production levels and provide adequate returns for labor and investment.

"These are reasonable and moderate goals upon which all can concur. What will have to be done to achieve them will not be easy. But it will be easier than the alternatives," Mizell said.

He said that progress out of the dairy dilemma of mounting surpluses of butter, cheese and nonfat dry milk can come only from instituting measures that will:

Gradually reduce surplus stocks; reduce the cost of the dairy price support program to the taxpayers; encourage a drop in production by the dairy industry; improve returns to the dairy farmer, at least in the long run; and avoid triggering dairy herd expansion as a reflex response to new economic pressures on dairy farmers.

Mizell said he is confident that Congress, with help from the industry and the administration, could come forth with a sound remedial course of action before events overtake the planners.

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WIDER USE OF AUTOGENOUS BIOLOGICS AUTHORIZED

WASHINGTON, March 3—Autogenous biologics may now be approved for use in herds or flocks other than the one from which the disease causing organism was isolated, a U.S. Department of Agriculture official said today.

Autogenous biologics are immunizing agents prepared from micro-organisms that are isolated from an infected or diseased flock or herd.

In the past, federal regulations allowed their use only in that herd or flock.

Dr. David Espeseth, a senior staff veterinarian with USDA's Animal and Plant Health Inspection Service, said amended federal regulations will permit wider use when approved by the APHIS deputy administrator.

"Experience has shown that organisms from an infected herd or flock can be used effectively to prepare autogenous biologics to fight diseases at other locations," Espeseth said.

He said such use normally would be in adjacent herds or flocks judged in danger of infection. In certain conditions, and with the additional approval of the state veterinarian, autogenous biologics could be administered to other herds and flocks.

Other changes in the regulations remove the limits previously placed on the number of doses produced, since an autogenous biologic might be used at various locations. For the same reason, expiration dating is extended from 6 to 18 months. The maximum period for using a culture is extended from 30 days to 12 months.

The revised regulations also authorize production of autogenous biologics from organisms other than bacteria, Espeseth said.

"This recognizes the advances in scientific methods for culturing viruses and other organisms," he said.

Other changes increase the number of samples required for testing purposes when there are more than 50 containers produced for an autogenous biological product.

The changes became effective March 1. The action is scheduled to be published in the March 4 Federal Register.

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STATES TO SHARE ESTIMATED \$160 MILLION OF 1983 NATIONAL FOREST SYSTEM REVENUES

WASHINGTON, March 1—Forty-three states and Puerto Rico will share about \$160 million as their portions of 1983 national forest system receipts, according to estimates released today by the U.S. Department of Agriculture.

Chief R. Max Peterson of USDA's Forest Service said 25 percent of the total 1983 receipts will be returned to states containing the Forest Service administered lands that generate those revenues. The revenues are collected for timber sales, grazing permits, recreation fees, mineral leases and land use charges on the 191 million acres of national forests, national grasslands and land utilization projects.

The states' shares will be used for public schools and roads. Making advance estimates of the state payments now helps local budget planners in their work, Peterson said, explaining that "the payments will be based on actual receipts collected and may vary from the estimates announced today."

Interim payments representing about 75 percent of estimated total state shares of national forest receipts will be made in October 1983, Peterson said. The balance will be paid in December, when final figures on the revenues collected during fiscal year 1983 are available.

The states' shares of the national grassland and land utilization project receipts, based on revenues collected during calendar year 1983, will be paid on or about March 1, 1984.

Last year, states received \$145.4 million as their shares of fiscal year 1982 national forest revenues and calendar year 1982 national grassland and land utilization project revenues.

State by state, the estimated payments will be:

State	National Forests	National Grassland & Land Utilization Projects
Alabama	\$1,395,000.01	
Alaska	5,580,000.01	
Arizona	2,482,847.12	
Arkansas	2,410,575.22	\$1,250.00
California	24,762,040.87	400.00
Colorado	1,653,932.96	88,174.75
Florida	1,961,750.02	60,750.00
Georgia	720,000.04	
Idaho	4,811,233.22	3,417.50

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State by state, the estimated payments—Continued

State	National Forests	National Grassland & Land Utilization Projects
Illinois	141,000.03	
Indiana	155,000.00	
Kansas		52,372.50
Kentucky	278,343.82	207.50
Louisiana	2,067,000.01	
Maine	20,117.58	
Maryland		500.00
Michigan	888,750.02	128,750.00
Minnesota	1,262,024.80	
Mississippi	5,699,250.04	112.50
Missouri	1,842,750.01	850.00
Montana	4,564,681.96	
Nebraska	43,812.51	10,727.25
Nevada	251,571.88	
New Hampshire	300,232.53	
New Mexico	1,427,785.80	24,875.00
New York		4,500.00
North Carolina	771,148.95	
North Dakota	68.09	9,303,698.64
Ohio	88,925.02	475.00
Oklahoma	278,424.81	453,953.31
Oregon	51,371,785.71	9,000.00
Pennsylvania	1,090,500.01	
South Carolina	3,672,334.02	
South Dakota	311,632.50	221,762.28
Tennessee	284,811.07	
Texas	2,177,419.28	74,871.19
Utah	578,474.62	
Vermont	109,000.03	
Virginia	420,601.99	

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State by state, the estimated payments—Continued

State	National Forests	National Grassland & Land Utilization Projects
Washington	22,276,515.17	
West Virginia	211,097.33	
Wisconsin	510,500.03	
Wyoming	559,903.09	532,000.00
Puerto Rico	14,612.51	
GRAND TOTAL	\$149,447,454.69	\$10,972,647.42

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USDA RESUMES TEXAS CITRUS FUMIGATION

WASHINGTON, March 3—U. S. Department of Agriculture officials will resume mandatory fumigation of all citrus grown in the lower Rio Grande Valley of Texas to prevent the spread of the Mexican fruit fly.

"The identification of a mated female fly with eggs on Feb. 28 coupled with previous fly catches met established criteria which triggered a return to the fumigation procedure," said Harvey Ford, deputy administrator of USDA's Animal and Plant Health Inspection Service. "The fumigation requirement, effective today, is necessary to protect other citrus-producing states that receive Texas citrus."

For the second consecutive year, a combination of intensive trapping and fruit cutting has assured that fruit shipped from the area has been free of the pest, Ford said. However, to protect other citrus-producing states, Texas and USDA agreed that fumigation would be resumed if any evidence of an established infestation was found in the designated areas of Hidalgo and Cameron counties.

"We plan to continue trapping and fruit cutting to monitor fruit fly levels in the valley, to correlate infestation levels with trapping results and to gather additional data," Ford said.

Mexican fruit flies damage a wide variety of host fruits, but among citrus, the flies prefer grapefruit. USDA entomologists said the Rio Grande Valley is the northern ecological range for the fly in Texas, infesting the area annually from Mexico.

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